

Message Text

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70

ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-02

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 FRB-01 CIAE-00

COME-00 INR-07 NSAE-00 USIA-15 XMB-04 OPIC-06 LAB-04

SIL-01 PA-02 PRS-01 /096 W
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R 031717Z JUL 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 1201

INFO USMISSION OECD PARIS

UNCLAS BONN 10881

DEPARTMENT PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, GW

SUBJECT: BUNDESBANK REDUCED MINIMUM RESERVE REQUIRE-
MENTS

1. THE CENTRAL BANK COUNCIL AT ITS REGULAR BI-WEEKLY MEETING TODAY DECIDED TO REDUCE, RETROACTIVE TO JULY 1, MINIMUM RESERVE REQUIREMENTS FOR DOMESTIC AND FOREIGN LIABILITIES BY 10 PERCENT, THEREBY RELEASING RESERVES OF ABOUT DM 4 BILLION.

2. IN A PRESS CONFERENCE AFTER THE MEETING PRESIDENT KLASSEN STATED THAT DEVELOPMENTS ON THE BOND MARKET AND RECENT DATA ON ECONOMIC DEVELOPMENTS HAD AFFECTED THE COUNCIL'S DECISION. ON THE BOND MARKET IN RECENT WEEKS THE DECLINE IN YIELDS OF OUTSTANDING DOMESTIC BONDS HAS HALTED AND YIELDS HAVE RETURNED TO A LEVEL PREVAILING IN LATE MAY. MAY INDUSTRIAL ORDER DATA AND JUNE UNEMPLOYMENT FIGURES HAVE JUST BECOME AVAILABLE AND ARE BOTH DISAPPOINTING. THESE ECONOMIC DEVELOPMENTS WILL BE REPORTED ON BY SEPTTEL. KLASSEN, HOWEVER, EXPRESSED
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HOPE THAT IN AUTUMN OF THIS YEAR ECONOMIC DEVELOPMENTS

WOULD IMPROVE. HE BASED SUCH EXPECTATIONS ON A FURTHER
INCREASE IN CONSUMER DISPOSABLE INCOME AND SOME
IMPROVEMENT IN GERMANY'S EXPORT POSITION.
HILLENBRAND

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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